



David C. Damschen  

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Utah State Treasurer

# **Agency Overview and Update**

2020 General Session

Kirt Slaugh, CTP  
Chief Deputy

# Overview

- Investments
- Money Management Council
- Debt Management
- Banking and Cash Management
- Consumer Financial Education
- Unclaimed Property Division

## Ex Officio Board Responsibilities

- School and Institutional Trust Fund
- State Bonding Commission
- State Building Ownership Authority
- Utah Charter School Finance Authority
- Utah Money Management Council
- Utah Retirement Systems
- Utah Housing Corporation
- Utah Navajo Trust Fund
- Permanent Community Impact Board (CIB)
- State Post-Retirement Benefit Trust Fund
- Elected Official Post-Retirement Benefit Trust Fund
- Utah Capital Investment Board
- Private Activity Bond Authority
- Board of Canvassers
- Executive Water Finance Board
- Water Development Coordinating Council
- Capitol Preservation Board
- Utah Council on Financial and Economic Education
- Martha Hughes Cannon Statue Oversight Committee

# Investments

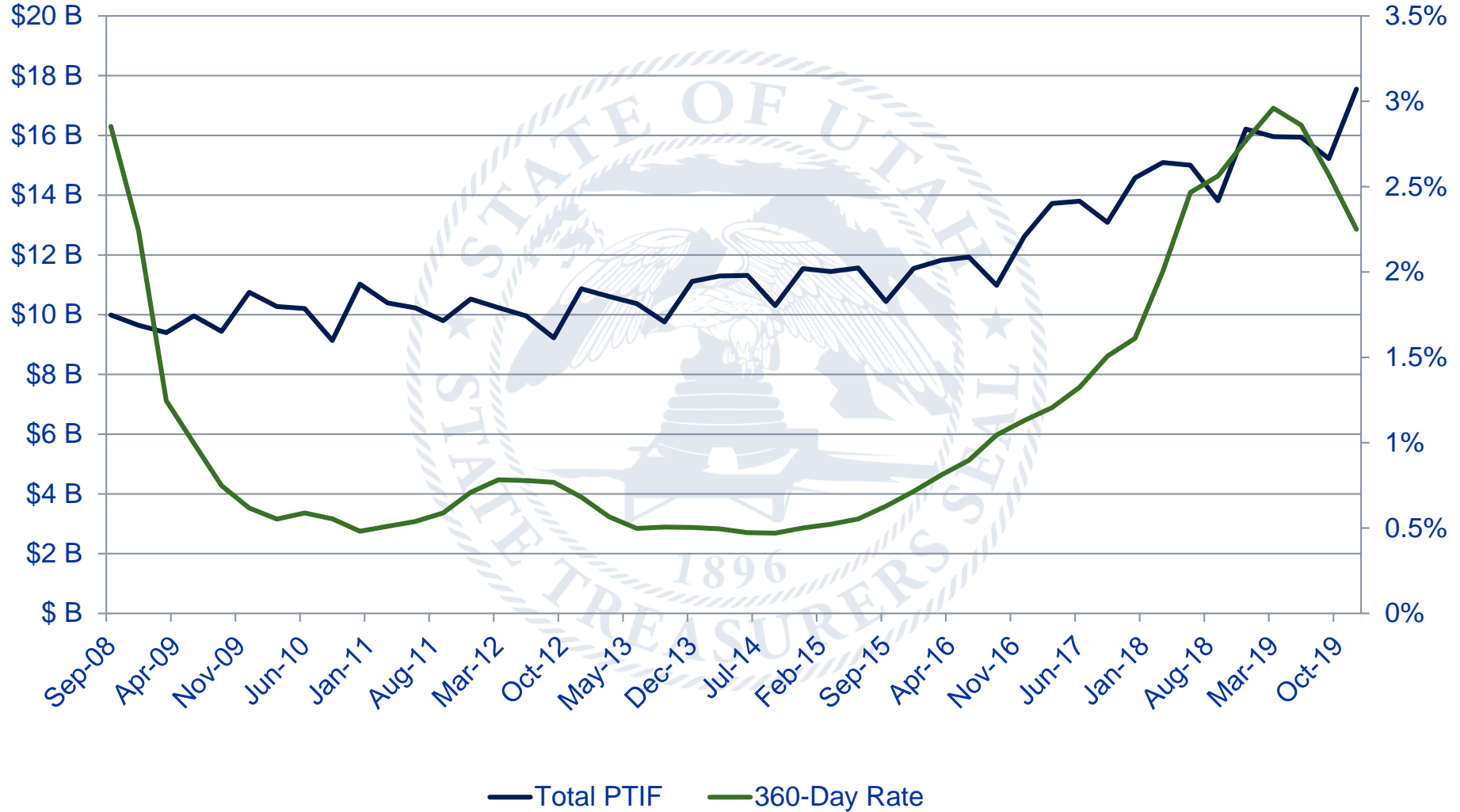
## Public Treasurer's Investment Fund (PTIF)

- Nearly \$18 billion in assets
- More than 700 municipalities and 3,150 accounts
- Approximately 57,000 transactions per year
- CY19 investment earnings \$445MM
- Consistently outperforms peers and benchmark

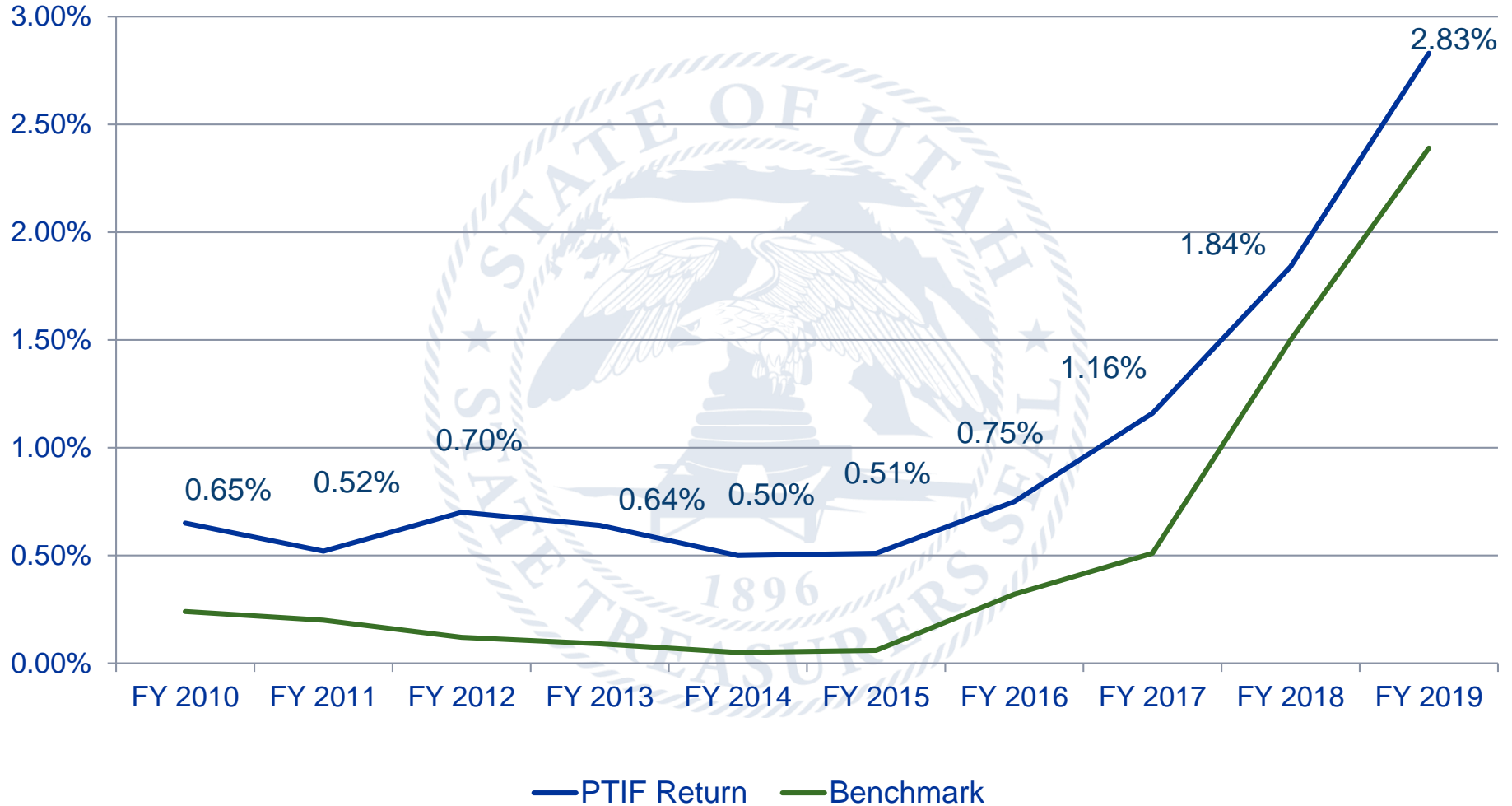
## Other Investment Portfolios

- Labor Commission Funds
- Utah Navajo Trust Fund
- OPEB Trust Funds
- Permanent State Trust Fund
- Perpetual Remediation Fund

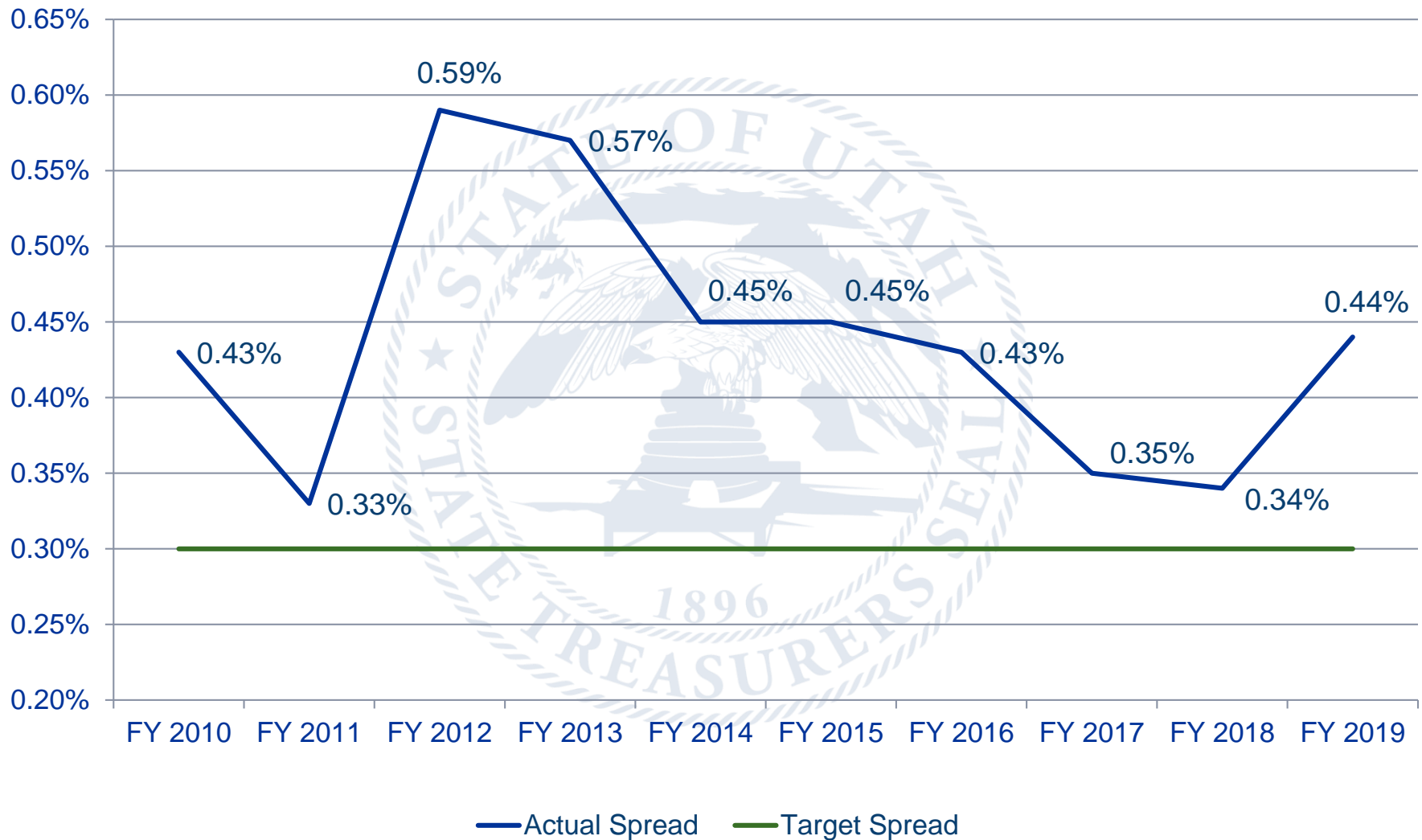
# PTIF Balances and Rates



# Net PTIF Return vs. Benchmark



# PTIF Spread Over Benchmark



# Money Management Council

- Treasurer executive secretary & office staffs the Council
- Oversees public funds banking and investments throughout the state
- Meets monthly to review reports, administrative rules, applications
- Staff requests, monitors, reviews deposit and investment reports from all municipalities in the state (approximately 1,800 reports per year)
- Staff answers inquiries from banks, brokers, treasurers, advisers



# Debt Management

- Issue debt obligations authorized by the legislature
- Manage post-issuance tax and market disclosure compliance
- Maintain investor and rating agency relations
- Recent Bond Transactions
  - \$129.18 MM G.O. Bonds, Series 2019, TIC 2.51%
  - \$343.16 MM G.O. Bonds, Series 2018, TIC 2.54%
  - \$18.47 MM SBOA Lease Revenue Bonds, Series 2018, TIC 3.21%
  - \$25.91 MM SBOA Crossover Refunding Bonds, Series 2017, TIC 2.15%, NPV savings \$880 K
  - \$118.7 MM G.O. Refunding Bonds, Series 2017, TIC 2.20%, NPV savings \$5.3 MM



# February 2020 G.O. Bond Issue



Expected Bond Proceeds	\$539.26MM
Approx. True Interest Cost	1.63%
Average Life	7.8 years
Pricing Date	February 11, 2020
Closing Date	February 27, 2020

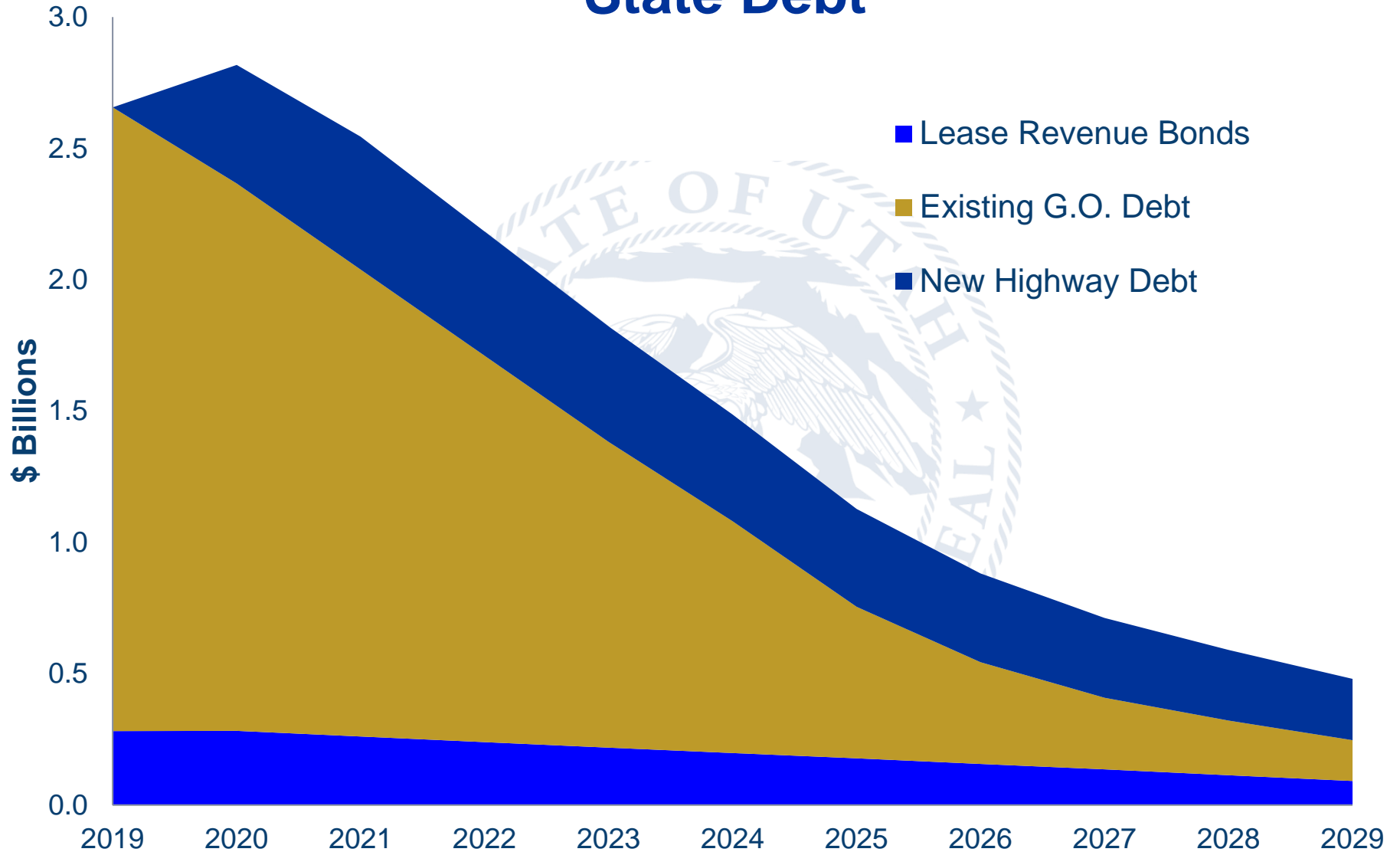
- Funds general highway construction
- Includes approx. \$89MM for reimbursement of a partial cash defeasance of series 2015 bonds

# Debt Management

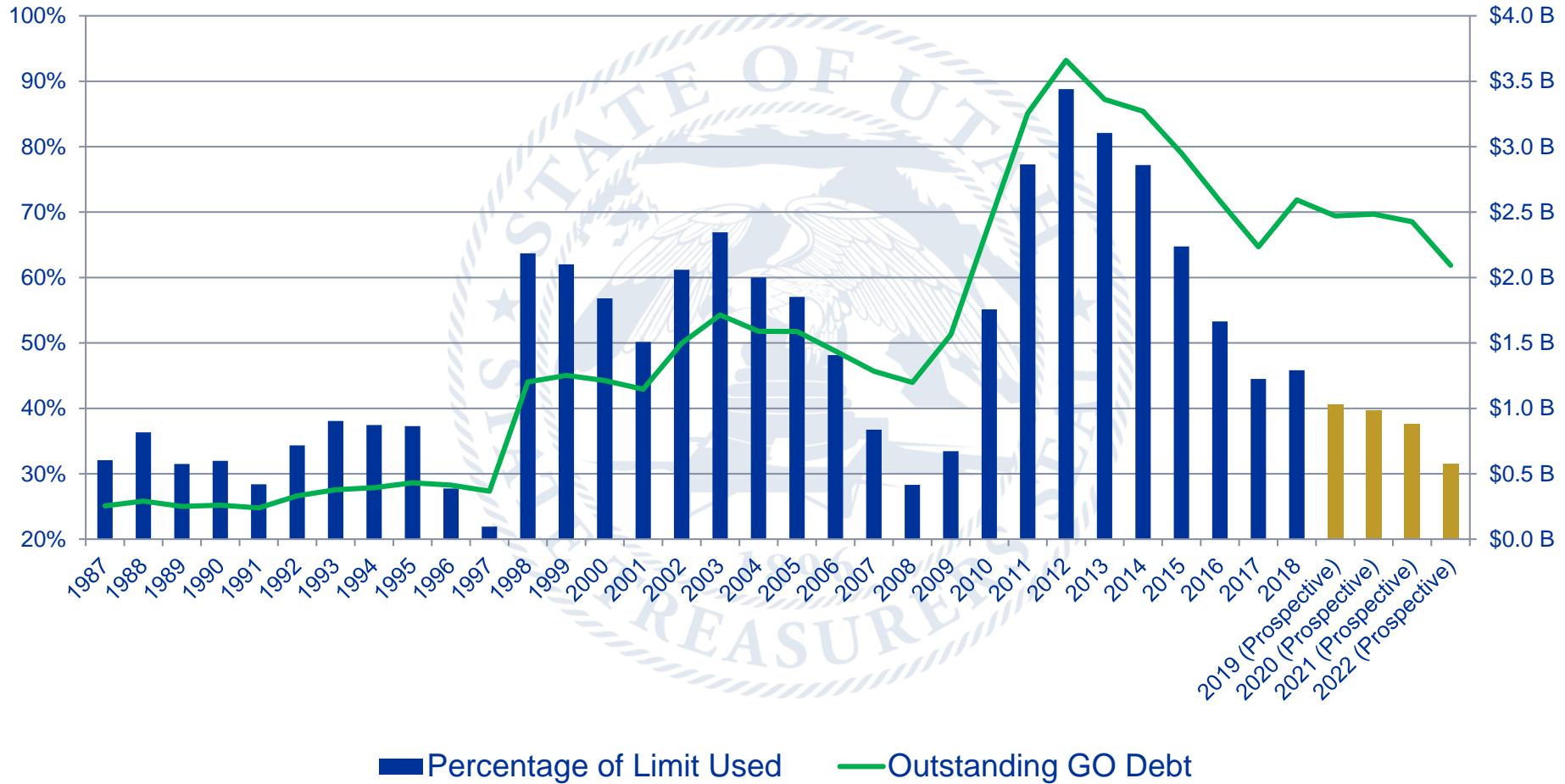
- **Legislatively-authorized bonds:**
  - General obligation
  - SBOA lease revenue
  - Recapitalization revenue
- **Conduit issuer (UCSFA\*) of charter school bonds:**
  - 69 transactions to date: \$912MM original par
  - 21 credit enhanced transactions: \$359.5MM outstanding
- **School bond guaranty program (\$3.66B)**

\*Utah Charter School Finance Authority

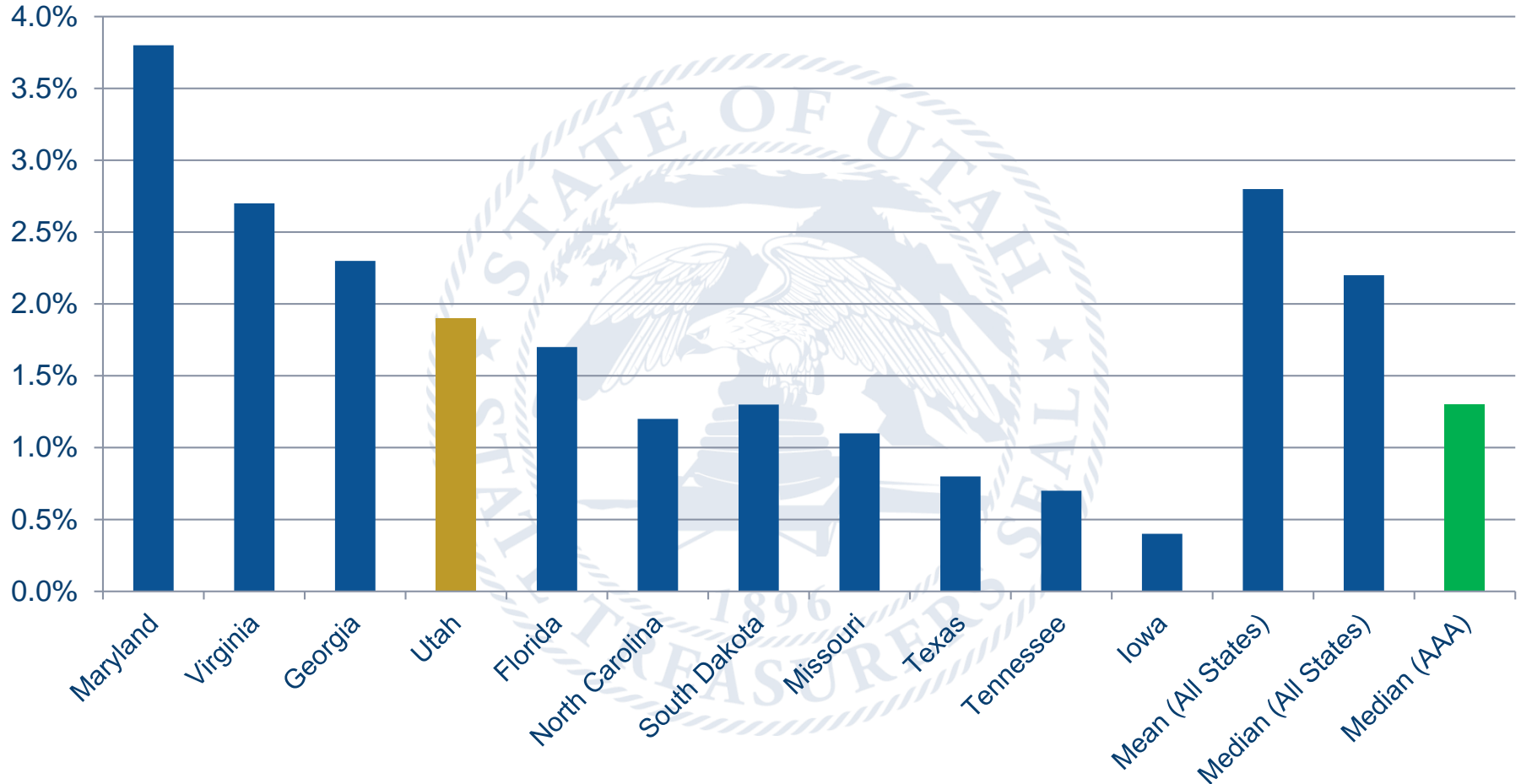
# State Debt



# G.O. Debt as a % of Constitutional Debt Limit



# Debt as a Percentage of Personal Income



**\*All AAA/AAA/Aaa States (Ex. Delaware)**

# Land Trusts Protection & Advocacy Office

- 2018 HB 404 created Land Trusts Protection & Advocacy Office
- New office represents the trust lands beneficiaries and oversees SITLA and SITFO administrations
- Transfers certain responsibilities from the Children's Trust Section of the State Board of Education
- Creates the Land Trusts Protection & Advocacy Account funded from earnings of the SITFO trust to fund the new office



# Consumer Financial Education Initiatives

## Financial Education in Public Schools

- Participate in the review and revision of GFL Strands and Standards
- Participate in the review and rewrite of GFL End-of-Course Exam
- Administer the Stock Market Game
- National Collaborations: NAST, CFPB Learning Cluster, NGPF



## Women in the Money Conference

- 2<sup>nd</sup> annual conference on April 17

## Utah Saves Week

- February 24-29





# Emerging Functions and Initiatives

- Analyze UTA debt transactions and report to State Bonding Commission
- Track charter school post-issuance compliance
- Analyze local government use of interest rate derivatives
- Investment accounting conversion to Software as a Service (SAAS)
- Unclaimed Property system conversion to SAAS
- Unitized trust structure implementation

# Unclaimed Property Division



**Total Properties Accumulated Since 1956: \$460MM+**

Properties collected in FY2019: \$57.3MM

FY19 Transfer to Uniform School Fund: \$21MM

FY19 Transfer to Victim Reparation Fund: \$8,000

## Annual Value of Claims Paid Nearly Quadrupled Since 2010

- Value of claims paid (FY10): \$8.4MM
- Value of claims paid (FY19): \$29.3MM

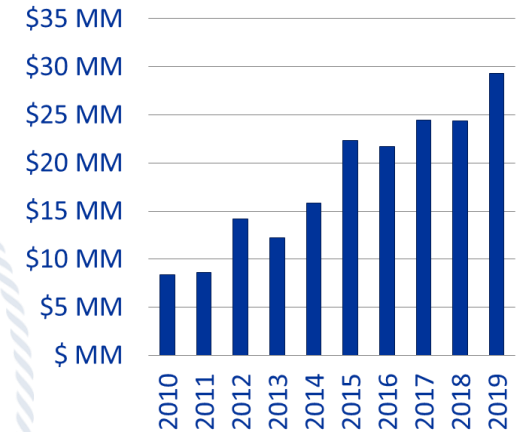
## Annual Number of Claims Paid Nearly Doubled Since 2010

- Number of claims paid (FY10): 8,738
- Number of claims paid (FY19): 14,793

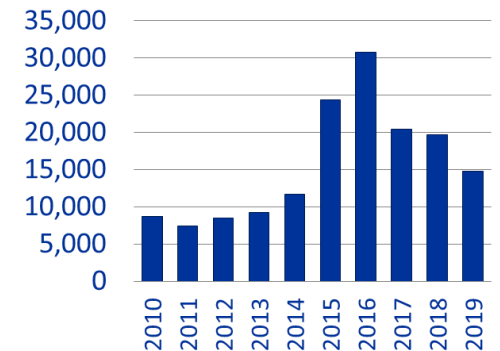
## Success Due To Modernizing Unclaimed Property Systems

- System conversion complete, now in fine tuning stage
- Comprehensive social media, earned media, marketing and outreach campaigns, i.e. "Charity Check Roadshow" had a significant impact on claims

Annual Claims Paid



Number of Claims Paid



# Unclaimed Property



## Budget Change Request

- Propose moving several previously budgeted expenses to direct charges to the fund for FY2020 and going forward. These direct charges are currently allowed in statute

### **67-4a-803. Expenses and service charges of administrator.**

Before making a deposit of funds received under this chapter to the Uniform School Fund or the Crime Victim Reparations Fund, the administrator may deduct:

- (1) expenses of disposition of property delivered to the administrator under this chapter;
  - (2) costs of mailing and publication in connection with property delivered to the administrator under this chapter;
  - (3) reasonable service charges; and
  - (4) expenses incurred in examining records of or collecting property from a putative holder or holder.
- New direct charges would be postage, advertising, imaging, and website maintenance
  - Budget savings (\$230K to \$267K) will be used to hire **three additional claims staff and fund additional technology initiatives** to support claims processing and office administration:
    - Understaffing created large claim processing backlog in 2019
    - New staff and technology enables quality customer service & user experience

# Investments

## Budget Change Request

- The Office is requesting a **\$150,000** increase to dedicated credits
- The increase will be used to fund **one additional investment staff** to help in the administration of the Public Treasurers' Investment Fund, which is now nearly **\$18 billion**, in addition to helping with the investment of the State's long-term investment portfolios
- Currently these investments are managed solely by the State Investment Officer
- This employee will allow enhanced levels of essential analysis, research, due diligence, performance measurement, policy compliance, cash management support, and administration



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## **2020 General Session**

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Treasurer

Kirt Slaugh, CTP  
Chief Deputy Treasurer